

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

INTERSTATE POWER COMPANY
AND IES UTILITIES INC.

)
) DOCKET NO. EC-00-_____

APPLICATION OF
INTERSTATE POWER COMPANY
AND
IES UTILITIES INC.
FOR AUTHORIZATION AND APPROVAL OF MERGER

Floyd L. Norton, IV
Michael C. Griffen
Morgan, Lewis & Bockius LLP
1800 M Street, N.W.
Washington, D.C. 20036
202-467-7000

Kent M. Ragsdale
Managing Attorney
Alliant Energy Corporate Services Inc.
200 First Street S.E.
P. O. Box 351
Cedar Rapids, Iowa 52406

March 31, 2000

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INTERSTATE POWER COMPANY
AND IES UTILITIES INC.

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APPLICATION OF
INTERSTATE POWER COMPANY
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IES UTILITIES INC.
FOR AUTHORIZATION AND APPROVAL OF MERGER

COME NOW Interstate Power Company ("IPC"), a Delaware corporation, and IES Utilities Inc. ("IES"), an Iowa corporation, and hereby make application to the Federal Energy Regulatory Commission ("Commission"), pursuant to Part 33 of the Commission's Rules and Regulations, 18 C.F.R. Part 33, for an order authorizing said Applicants, pursuant to Section 203 of the Federal Power Act ("FPA"), 16 U.S.C. § 824b, to merge all of the jurisdictional facilities of IPC and IES, and for such other and additional authorizations and approvals as may be necessary and incidental in connection with such transfer and merger. Applicants further request that the Commission grant its authorization and approval for the merger, before December 1, 2000, without the necessity of hearing in order to allow for the benefits thereof to commence as soon as possible.

IPC and IES are both operating as public utilities and are both wholly owned subsidiaries of Alliant Energy Corporation ("Alliant Energy"), a registered public utility holding company. Both utilities provide retail natural gas services and electrical services on a retail and wholesale basis. Alliant Energy was formed on April 21, 1998,

as a result of the merger between WPL Holdings, Inc., IES Industries Inc., and IPC. Alliant Energy is a registered public utility holding company and is regulated by the Securities and Exchange Commission ("SEC") under the Public Utility Holding Company Act of 1935, as amended.

Under the terms of the Agreement and Plan of Merger entered into between the Applicants as of March 15, 2000, IPC will merge into IES. The surviving corporation will be renamed as Interstate Power and Light Company ("IP&L") upon the consummation of the merger, at which time all of the shares of common stock of IPC, wholly owned by Alliant Energy, will be cancelled and shares of common stock of IP&L will be issued.

In this submittal the Applicants have set forth the specific information required by Section 33.2 and exhibits required by Section 33.3 of the Commission's Rules and Regulations. Portions of the information and exhibits are incorporated into this filing in the form of appendices. The filing has been arranged in a format corresponding to that contained in Part 33.

SECTION 33.2 FILING REQUIREMENTS

33.2(a) Names and Addresses of Principal Business offices

Interstate Power Company
1000 Main Street
P.O. Box 759
Dubuque, Iowa 52004

IES Utilities Inc.
200 First Street, S.E.
P.O. Box 351
Cedar Rapids, Iowa 52406

33.2(b) Names and Addresses of Persons Authorized to Receive Notices and Communications

Kent M. Ragsdale
Managing Attorney
Alliant Energy Corporate Services Inc.
200 First Street S.E.
P. O. Box 351
Cedar Rapids, Iowa 52406

Gene Reuter
Special Projects Analyst
Alliant Energy Corporate Services Inc.
200 First Street S.E.
P. O. Box 351
Cedar Rapids, Iowa 52406

33.2(c) Designation of territories served, by counties and states

A complete listing of all territories served is attached as Appendix A.

33.2(d) Description of jurisdictional facilities

IPC owns and operates approximately 851.5 miles of electric transmission circuits at 115 kv levels and above, and owns and operates generating facilities with capacity of 1,315 megawatts (including long-term purchases.

IES owns and operates approximately 1,267.3 miles of electric transmission circuits at 115 kv levels and above and owns and operates generating facilities with capacity of 1,925 megawatts.

33.2(e) Description of form of transaction and consideration

The instant transaction for which Commission authorization is requested is the merger of two public utility companies. In accordance with the terms and conditions of the Agreement and Plan of Merger entered into between the Applicants as of March 15, 2000, IPC will merge into IES. In conjunction with the merger, all of IES's and IPC's

outstanding common stock, which is all currently owned by the Applicants, holding company, Alliant Energy, will be cancelled. The surviving corporation, IP&L will issue common stock to Alliant Energy to replace the common stock of IES and IPC. Inasmuch as both merging Applicants are wholly owned subsidiaries of Alliant Energy, no consideration will pass in connection with the transaction.

The Agreement and Plan of Merger is included herein at Exhibit H.

33.2(f) Statement of facilities to be Merged

All of IPC's and IES's generating, transmission, distribution and other facilities and assets, tangible and intangible, will by operation of law be combined in the merger process. The general use of all such facilities will remain unchanged after the merger, i.e., they will continue to be used in the provision of electric and gas service at retail and electric service at wholesale. The merger will include all of the operating facilities of the parties to the transaction.

33-2(g) Statement of costs of merged-facilities

The original cost of the jurisdictional facilities involved in the merger, as of December 31, 1999, is shown in the attached Appendix B to this Application.

33.2(h) Statement as to effect of transaction upon existing energy contracts

Under the merits of the Agreement and Plan of Merger, the surviving corporation will assume all contractual obligations of IPC; accordingly, it is not anticipated that the merger will have any effect on any contract for the purchase, sale or interchange of electric energy.

33.2(i) Statement as to other regulatory filing requirements

Both Applicants are subject to the jurisdictional authority of the Iowa Utilities Board (IUB). Iowa Code 476.77 requires any utility subject to IUB jurisdiction, prior to merger, to file a proposal for reorganization with sufficient evidence to establish that such action would not be contrary to the interests of the utilities' ratepayers and the public interest.

IPC is subject to the jurisdictional authority of the Minnesota Public Utilities Commission (MPUC). Minn. Stat. Sects. 216B.50 and 216B.10 require any utility subject to MPUC jurisdiction, prior to merger, to file a proposal for reorganization with sufficient evidence to establish that such action would not be contrary to the interests of the utilities' ratepayers and the public interest.

IPC is subject to the jurisdictional authority of the Illinois Commerce Commission (ICC). Sections 7-102, 7-204, and 7-204A of the Illinois Public Utilities Act require any utility subject to ICC jurisdiction, prior to merger, to file a proposal for reorganization with sufficient evidence to establish that such action would not be contrary to the interests of the utilities' ratepayers and the public interest. Applicants have included their filings with the ICC and the MPUC as Exhibit G herein.

Applicants will file with the Securities and Exchange Commission (a) an application for approval of the merger; (b) a proxy statement with respect to the meeting of IPC's and IES' preferred stockholders; and (c) any reports as may be required under the securities laws and regulation. IES will file a proposed amendment to its Nuclear Regulatory Commission license to reflect the new name of the surviving corporation..

Applicants may determine that additional consents or authorizations should be requested from other regulatory agencies.

33.2(j) Facts relied upon to show that the merger will be consistent with the public interest

Section 203(a) of the FPA conditions the Commission's approval of a proposed merger upon a prior finding that such an undertaking "will be consistent with the public interest." 16 U.S.C. 824(b). A public interest finding requires only a showing of compatibility and not necessarily one of a positive benefit to the public. Iowa Public Service Co., 60 F.E.R.C. 61,048, at p. 61,178 (1992).

A. The Transaction Meets the Requirements of the Commission's Merger Policy Statement.

The Commission's Merger Policy Statement (Order No. 592)¹ sets forth the Commission's criteria and considerations for evaluating merger applications under Section 203. Specifically, the Commission examines three factors in analyzing whether a proposed transaction is consistent with the public interest: the effect on competition, the effects on rates, and the effect on regulation. Consideration of these factors, to the extent those factors guide the Commission's consideration of an intra-company divestiture proposal, further demonstrates that the transaction is consistent with the public interest.

¹ Inquiry Concerning the Commission's Merger Policy Under the Federal Power Act: Policy Statement, Order No. 592, 61 Fed. Reg. 68,595 (December 30, 1996), FERC Stats. & Regs. ¶ 31,044 (1996), order on reconsideration, Order No. 592-A, 79 FERC ¶ 61,321 (1997) (Merger Policy Statement). The Merger Policy Statement adopted the DOJ Merger Guidelines, U.S. Department of Justice and Federal Trade Commission, Horizontal Merger Guidelines, 57 Fed. Reg. 41,552 (September 10, 1992)(Merger Guidelines), as the framework for evaluating the competitive effect of proposed mergers.

1. The Transaction Will Have No Direct Effect on Competition.

Any competitive effects of this transaction have already been examined by the Commission in the context of the Alliant Energy merger, in which the Commission approved the merger of WPL Holdings, Inc., IES Industries, Inc., and IPC. IES Utilities, Inc., et al., 81 FERC ¶ 61,187 (1997) (the "Alliant Merger Order"). In the Alliant Merger Order, the Commission found that the commitments to which the merger applicants agreed in a competition stipulation filed in support of the merger, together with the Presiding Judge's recommended additional competition condition, adequately mitigated any potential adverse competitive concerns associated with the Alliant Energy merger. The merger of IPC and IES does not raise any issues different than those raised in the Alliant merger proceeding. Because the Commission found that the Alliant merger did not raise any unmitigated competitive concerns, the Commission should find here that the merger of IPC and IES, each of which has committed to abide by the conditions of the competition stipulation approved in the Alliant merger proceeding, similarly does not raise any competitive concerns. The Commission should find that the merger of IPC and IES will have no negative effect on competition.

In addition, Alliant Energy, as part of its merger approval process, filed, in Commission Docket No. ER96-2560-000, a system coordination and operating agreement to, among other things, govern on a single-system basis the coordinated operations and joint planning of Applicants' electric transmission facilities. In order to implement the Coordination Agreement, Alliant Energy formed a subsidiary service company, Alliant Energy Corporate Services, Inc. ("Services") to act as an agent for the

Alliant Energy Operating Companies and to, among other things, operate their transmission facilities as a single integrated system pursuant to Alliant Energy's open access transmission tariffs ("OATT").

The Commission has authorized mergers which are analogous in form and fact to that propose herein. The merger in IES Industries Inc. et. al, Docket No. EC93-14-000 as authorized by Commission Order issued December 3, 1993. In that proceeding, the merging parties were both public utilities doing business almost exclusively in Iowa and were operating companies of the same holding company. IPC and IES are comparable to the merging utilities in IES Industries Inc. et. al. In Duke Energy Corporation and Nantahala Power and Light Company, 83 FERC ¶ 62,181 (1998), the Commission approved the merger of Duke Energy Corporation with its wholly-owned subsidiary, Nantahala Power and Light Company, a situation similar to the circumstances here involving affiliated companies whose merger will not have any competitive effect. Given such clear comparisons and precedents, there is no basis for finding an adverse competitive effect in this docket.

In summary, Applicants contend that the merger will have no significant adverse effects on market power and competitiveness, particularly in light of the existing affiliate relationship between the Applicants, the Commission's broad authority to address an demonstrated adverse competitive impact, and the Commission's decisions on in similar factual circumstances. Further, to the extent necessary, IPC and IES request a waiver from the requirement to submit a "competitive screen analysis."

2. The Transaction Will Have Either Minimal or No Direct Effect on Jurisdictional Rates.

This transaction will not have an impact on the wholesale bundled electric rates charged by IPC and IES. The four year rate freeze commitment as well as the other rate payer protection mechanisms offered by Alliant Energy in its merger approval process remain in effect.² The merger will result in a substantial reduction in operating costs which will in turn lower the price levels of all customers. The approximate \$2.7 million of net present valued cost savings realized in the first ten years of post-merger operations will benefit customers in all jurisdictions and result in a more competitive company.

Included in this Application as Exhibit G is the Applicants' filing with the ICC for authorization for the proposed reorganization. The ICC filing contains the direct testimony and exhibits of Mr. Daniel A. Doyle, Vice President - Chief Accounting & Financial Planning Officer, which sets out in specific detail the benefits and the expected impact of the merger on costs, prices, and other areas of operation, including customer service. The merger will allow the two utilities to consolidate inventories and implement uniform business practices in their Iowa service territories.

The estimated cost of obtaining all regulatory approvals, shareholder consents, and statutory filings necessary to complete the merger is approximately \$100,000. The

² IES Utilities, et al., 81 FERC ¶ 61,187, Opinion No. 419 (1997). Alliant Energy offered intervenors a number of ratepayer protection mechanisms including a four-year rate freeze for wholesale customers, an offer for wholesale customers to buy or lease WPL generation, and a hold harmless provision to ensure

benefits described are in addition to those which resulted from the earlier merger of the two holding companies; the present analysis is a comparison between a merged utility and the two utilities on a stand-alone basis.

In summary, the proposed merger would result in net benefits in excess of \$2.7 million on a net present value basis over the first ten years of merged operations. The benefits will inure to the customers of the Applicants in the form of lower prices through the regulatory process.

3. There Is No Adverse Effect On Regulation.

In Order No. 592, the Commission addressed two aspects of the effect on regulation. First, in situation involving the creation of registered public utility holding companies, the Commission required section 203 applicants to choose between two options,: (1) commit to abide by the Commission's policies with respect to intra-system transaction within any newly-formed holding company structure, or (2) go to hearing on the issue of the effect of the proposed registered holding company structure on effective regulation by the Commission. The Commission stated that, with respect to the effect of a merger on state regulatory authority, where a State has authority to act on a merger, the Commission ordinarily will not set this issue for a trial-type hearing. However, if the State lacked this authority and raised concerns about the effect on regulation the Commission may set the issue for hearing. In this case, IP&L remains a part of a regulated holding company and the Commission's jurisdiction is unaffected. Alliant Energy agrees to abide by the Commission's policy on an intra-system

that merger-related costs are not imposed on existing customers in addition to their offer to reduce intervenors' contract terms or terminate the contracts in their entirety.

transactions. Further, the IUB, ICC and the MPUC will have full authority to regulate IP&L and to regulate markets and distribution facilities, after the transaction.

IPC and IES are public utilities providing electric and natural gas services to retail customers in the States of Iowa, Illinois and Minnesota. The IUB, ICC and MPUC are required by statute to consider, in their review of the Applicants' merger proposal, whether the reorganization meets the public interest. Iowa Code Section 476.77(3); Minn. Stat. Sects. 216B.50 and 216B.10 and Sections 7-102, 7-204, and 7-204A of the Illinois Public Utilities Act. Inherent in these statutory requirements is an affirmative showing that the effectiveness of the IUB to regulate will not be impaired. In similar fashion there is no indication that the ability of the commission to regulate will be adversely affected by the merger. The Commission's regulatory oversight will shift from a review of the wholesale transactions of both Applicants to that of only the surviving utility.

B. Conclusion

In summary, Applicants submit that the merger proposed herein will be compatible and consistent with the public interest.

33.2(k) Statement of franchises

A complete listing of all franchises held by the applicants, including dates of expiration, is attached as Appendix C. All of the franchises are located within the State of Iowa.

33.2(l) Form of Federal Register Notice

A form of notice suitable for publication in the Federal Register, and briefly summarizing the facts contained in this Application, is attached as Appendix D.

SECTION 33.3 REQUIRED EXHIBITS

In compliance with section 33.3 of the Commission's Rules and Regulations, the Applicants have attached required Exhibits A through I. In accordance with Applicants interpretation of both Section 33.3 and 33.6, a certified copy of each specified exhibit has been attached to the original Application and one uncertified copy of each specified exhibit has been attached to each of the additional copies required to be submitted to the Commission pursuant to said regulations.

CONCLUSION AND REQUEST FOR AUTHORIZATION

Applicants submit that they have provided herein all information required pursuant to Part 33 of the Commission's Rules and Regulations and that such information, along with the factual and legal analysis and arguments contained in this Application, warrant a finding by the Commission that the proposed merger of IPC and IES would be consistent with the public interest as required by Section 203(a) of the Federal Power Act.

Applicants therefore respectfully request that the Commission issue an order, without the necessity of hearing, authorizing the Applicants to merge, and for such additional authorizations and approvals as may be necessary and incidental in connection with such undertaking.

Respectfully submitted,

By Kent M. Ragsdale

Kent M. Ragsdale
Managing Attorney
Alliant Energy Corporate Services Inc.
200 First Street S.E.
P. O. Box 351
Cedar Rapids, Iowa 52406

Floyd L. Norton, IV
Michael C. Griffen
Morgan, Lewis & Bockius LLP
1800 M Street, N.W.
Washington, D.C. 20036
202-467-7000

March 31, 2000

CORPORATE RESOLUTIONS

Attached are corporate resolutions of the Board of Directors of Alliant Energy Corporation, IES Utilities Inc., and Interstate Power Company. Each such resolution authorizes the merger for which Applicants seek authorization herein.

IES UTILITIES INC.
(the "Company")

**RESOLUTIONS OF THE
BOARD OF DIRECTORS**

MARCH 15, 2000

MERGER AGREEMENT:

RESOLVED, that the draft Agreement and Plan of Merger, dated as of March 14, 2000 (the "Merger Agreement"), between IES Utilities, Inc., an operating public utility incorporated under the laws of the State of Iowa (the "Company"), and Interstate Power Company, an operating public utility incorporated under the laws of the State of Delaware ("IPW"), substantially in the form presented to this meeting, which provides for, among other things the merger of IPW with and into the Company (the "Merger"), as further provided in the Merger Agreement, is hereby approved and adopted in all respects, and that each of the Chairman of the Board, Chief Executive Officer, President or any Vice President of the Company (each an "Authorized Officer") is authorized in the name and on behalf of the Company to execute the same, with such modifications, amendments and/or supplemental or additional related agreements as he or she shall approve, and to deliver the same to the other parties thereunder, such execution and delivery conclusively to evidence the due authorization and approval thereof by the Company; and further

RESOLVED, upon full consideration of the best interests of the Company, including a full consideration of certain community interest factors, that is, the effect of a merger of Company and IPW upon their respective shareholders, employees, suppliers, creditors, customers and the communities in which each company operates, both in the long term and the short term, and upon full consideration whether the interests of both companies may be best served by their continued independence, that the Board of Directors hereby determines that the Merger is fair to, and in the best interests of, the Company and its stockholders, and that the Board of Directors recommends acceptance of the Merger and approval and adoption of the Merger Agreement by the stockholders of the Company; and further

RESOLVED, that the Board of Directors hereby directs that, if required by law, the Merger Agreement and the Merger be submitted to a vote at a special meeting of the holders of Company common stock and Company preferred stock, that the record date for such meeting shall be designated by any of the Authorized Officers, and that the Board of Directors recommends that the holders of the Company common stock and Company preferred stock approve the Merger Agreement and the Merger at such special meeting; and further

REGULATORY FILINGS:

RESOLVED, each of the Authorized Officers is authorized and directed, in the name and on behalf of the Company, to prepare, execute and file or cause to be filed and to distribute all reports, statements, documents and information which are or may be required to be filed by the Company pursuant to any required law or regulation with any and all government agencies in connection with the Merger and to take all such other actions as may be necessary or proper in connection with the Merger; and further

RESOLVED, that in order to facilitate the effectuation of the Merger and the consummation of any transactions incidental thereto or contemplated by the Merger Agreement, the Company shall cooperate with IPW in any and all actions considered necessary or advisable by any of the Authorized Officers; and that each of the Authorized Officers is authorized and directed, in the name and on behalf of the Company, to take all action, including, without limitation, (i) taking such actions as are deemed necessary to comply with the requirements of any state securities laws or regulations, (ii) seeking all requisite consents and approvals and (iii) executing, verifying, acknowledging, delivering, and filing, in the name and on behalf of the Company, and under its corporate seal or otherwise, all other reports, forms or other documents as any of such officers considers necessary or advisable to comply with the applicable laws, rules or regulations of any jurisdiction; and further

GENERAL:

RESOLVED, that the Board of Directors hereby adopts the form of any and all resolutions required by any state or federal authority in connection with any applications, reports, filings, irrevocable consents to process, powers of attorney and other papers and instruments, if (i) in the opinion of an Authorized Officer the adoption of such resolutions is necessary or advisable and (ii) the secretary or any Assistant Secretary of the Company evidences such adoption by filing with the records of this meeting copies of such resolutions, which shall thereupon be deemed to be adopted by the Board of Directors, with the same force and effect as if presented to this meeting; and further

RESOLVED, that each of the Authorized Officers is, in accordance with the foregoing resolutions, authorized and directed, in the name and on behalf of the Company, to prepare, execute and deliver any and all certificates, agreements, instruments, reports, schedules, statements, consents, documents and information with respect to the transactions contemplated by the Merger Agreement and the foregoing resolutions, to make any filings pursuant to federal, state and foreign laws and to take all other actions that he or she deems necessary, appropriate or advisable in order to comply with the applicable laws and regulations of any jurisdiction, or otherwise to effectuate and carry out the purposes of the foregoing resolutions and to permit the

transactions contemplated by the Merger Agreement and the foregoing resolutions to be lawfully consummated; and further

RESOLVED, that all actions previously taken by any officer, director, representative or agent of the Company, by or on behalf of the Company or any of its affiliates in connection with the transactions contemplated by the Merger Agreement and the foregoing resolutions be, and each of the same hereby is, adopted, ratified, confirmed and approved in all respects as the act and deed of the Company; and further

I, Linda J. Wentzel, do hereby certify that I am the duly elected and acting Assistant Corporate Secretary of IES Utilities Inc., an Iowa corporation, organized under the laws of the State, and that I have access to the corporate records of said Company, and as such officer, I do further certify that the foregoing Resolution was duly adopted at a meeting of the Board of Directors held March 15, 2000.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said Company this 23rd day of March, 2000.

Linda J. Wentzel

INTERSTATE POWER COMPANY
(the "Company")

**RESOLUTIONS OF THE
BOARD OF DIRECTORS**

MARCH 15, 2000

MERGER AGREEMENT:

RESOLVED, that the draft Agreement and Plan of Merger, dated as of March 14, 2000 (the "Merger Agreement"), between IES Utilities, Inc., an operating public utility incorporated under the laws of the State of Iowa ("IES"), and Interstate Power Company, an operating public utility incorporated under the laws of the State of Delaware (the "Company"), substantially in the form presented to this meeting, which provides for, among other things the merger of the Company with and into IES (the "Merger"), as further provided in the Merger Agreement, is hereby approved and adopted in all respects, and that each of the Chairman of the Board, Chief Executive Officer, President or any Vice President of the Company (each an "Authorized Officer") is authorized in the name and on behalf of the Company to execute the same, with such modifications, amendments and/or supplemental or additional related agreements as he or she shall approve, and to deliver the same to the other parties thereunder, such execution and delivery conclusively to evidence the due authorization and approval thereof by the Company; and further

RESOLVED, upon full consideration of the best interests of the Company, including a full consideration of certain community interest factors, that is, the effect of a merger of Company and IES upon their respective shareholders, employees, suppliers, creditors, customers and the communities in which each company operates, both in the long term and the short term, and upon full consideration whether the interests of both companies may be best served by their continued independence, that the Board of Directors hereby determines that the Merger is fair to, and in the best interests of, the Company and its stockholders, and that the Board of Directors recommends acceptance of the Merger and approval and adoption of the Merger Agreement by the stockholders of the Company; and further

RESOLVED, that the Board of Directors hereby directs that, if required by law, the Merger Agreement and the Merger be submitted to a vote at a special meeting of the holders of Company common stock and Company preferred stock, that the record date for such meeting shall be designated by any of the Authorized Officers, and that the Board of Directors recommends that the holders of the Company common stock and Company preferred stock approve the Merger Agreement and the Merger at such special meeting; and further

REGULATORY FILINGS:

RESOLVED, each of the Authorized Officers is authorized and directed, in the name and on behalf of the Company, to prepare, execute and file or cause to be filed and to distribute all reports, statements, documents and information which are or may be required to be filed by the Company pursuant to any required law or regulation with any and all government agencies in connection with the Merger and to take all such other actions as may be necessary or proper in connection with the Merger; and further

RESOLVED, that in order to facilitate the effectuation of the Merger and the consummation of any transactions incidental thereto or contemplated by the Merger Agreement, the Company shall cooperate with IES in any and all actions considered necessary or advisable by any of the Authorized Officers; and that each of the Authorized Officers is authorized and directed, in the name and on behalf of the Company, to take all action, including, without limitation, (i) taking such actions as are deemed necessary to comply with the requirements of any state securities laws or regulations, (ii) seeking all requisite consents and approvals and (iii) executing, verifying, acknowledging, delivering, and filing, in the name and on behalf of the Company, and under its corporate seal or otherwise, all other reports, forms or other documents as any of such officers considers necessary or advisable to comply with the applicable laws, rules or regulations of any jurisdiction; and further

GENERAL:

RESOLVED, that the Board of Directors hereby adopts the form of any and all resolutions required by any state or federal authority in connection with any applications, reports, filings, irrevocable consents to process, powers of attorney and other papers and instruments, if (i) in the opinion of an Authorized Officer the adoption of such resolutions is necessary or advisable and (ii) the secretary or any Assistant Secretary of the Company evidences such adoption by filing with the records of this meeting copies of such resolutions, which shall thereupon be deemed to be adopted by the Board of Directors, with the same force and effect as if presented to this meeting; and further

RESOLVED, that each of the Authorized Officers is, in accordance with the foregoing resolutions, authorized and directed, in the name and on behalf of the Company, to prepare, execute and deliver any and all certificates, agreements, instruments, reports, schedules, statements, consents, documents and information with respect to the transactions contemplated by the Merger Agreement and the foregoing resolutions, to make any filings pursuant to federal, state and foreign laws and to take all other actions that he or she deems necessary, appropriate or advisable in order to comply with the applicable laws and regulations of any jurisdiction, or otherwise to effectuate and carry out the purposes of the foregoing resolutions and to permit the transactions contemplated by the Merger Agreement and the foregoing resolutions to be lawfully consummated; and further

RESOLVED, that all actions previously taken by any officer, director, representative or agent of the Company, by or on behalf of the Company or any of its affiliates in connection with the transactions contemplated by the Merger Agreement and the foregoing resolutions be, and each of the same hereby is, adopted, ratified, confirmed and approved in all respects as the act and deed of the Company; and further

I, Linda J. Wentzel do hereby certify that I am the duly elected and acting Assistant Corporate Secretary of Interstate Power Company, a Delaware corporation, organized under the laws of the State, and that I have access to the corporate records of said Company, and as such officer, I do further certify that the foregoing Resolution was duly adopted by at a meeting of the Board of Directors of Interstate Power Company held March 15, 2000.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said Company this 23rd day of March, 2000.

Linda J. Wentzel

ALLIANT ENERGY CORPORATION
(the "Company")

RESOLUTIONS OF THE
BOARD OF DIRECTORS

MARCH 15, 2000

RESOLVED, that the draft Agreement and Plan of Merger, dated as of March 14, 2000 (the "Merger Agreement"), between IES Utilities, Inc., an operating public utility incorporated under the laws of the State of Iowa ("IES"), and Interstate Power Company, an operating public utility incorporated under the laws of the State of Delaware ("IPW"), both of which are subsidiaries of Alliant Energy Corporation (the "Company"), substantially in the form presented to this meeting, which provides for, among other things the merger of IPW with and into IES to form one company (referred to as "Interstate Power and Light Company") (the "Merger"), as further provided in the Merger Agreement, is hereby approved and adopted in all respects; and

FURTHER RESOLVED, that the Merger Agreement, any Restated Articles of Incorporation and Bylaws of Interstate Power and Light Company, any registration statements, and such other documents as presented in draft form at this meeting are hereby approved and that each of the Chairman of the Board, Chief Executive Officer, President or any Vice President of the Company (each an "Authorized Officer") is authorized in the name and on behalf of the Company to execute the same, with such modifications, amendments and/or supplemental or additional related agreements as he or she shall approve, and to deliver the same to the other parties thereunder, such execution and delivery conclusively to evidence the due authorization and approval thereof by the Company; and

FURTHER RESOLVED, that any of the Authorized Officers be, and they hereby are, authorized on behalf of the Company to loan money on a temporary basis from time to time to Interstate Power and Light Company to provide funds for working capital when needed; and

FURTHER RESOLVED, that any of the Authorized Officers are each hereby appointed its true and lawful attorney to attend the special meetings of shareholders of IES, IPW, and Interstate Power and Light Company to be held at such time and place as may be designated by such subsidiaries and at any and all adjournments thereof, and to vote all shares of capital stock of IES, IPW and Interstate Power and Light Company which are owned by the Company, in its name, place and stead, as its proxy and representative, the number of votes which this Company would be entitled to cast if actually present; and

FURTHER RESOLVED, that any of the Authorized Officers are each hereby instructed to cast this Company's votes for approval of the Merger Agreement and Merger among IES, IPW and Interstate Power and Light Company at such representative special shareholders' meetings; and

FURTHER RESOLVED, that any of the Authorized Officers are each hereby authorized to take such other actions and to prepare and execute such documents as may in their judgment be necessary to carry out the intent of the foregoing resolutions, and such actions are hereby approved and ratified; and

FURTHER RESOLVED, that the Board of Directors hereby adopts the form of any and all resolutions required by any state or federal authority in connection with any applications, reports, filings, irrevocable consents to process, powers of attorney and other papers and instruments, if (i) in the opinion of an Authorized Officer the adoption of such resolutions is necessary or advisable and (ii) the secretary or any Assistant Secretary of the Company evidences such adoption by filing with the records of this meeting copies of such resolutions, which shall thereupon be deemed to be adopted by the Board of Directors, with the same force and effect as if presented to this meeting; and

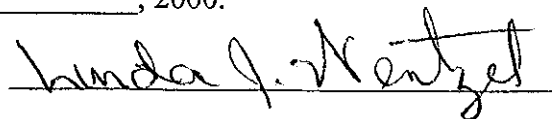
FURTHER RESOLVED, that each of the Authorized Officers is, in accordance with the foregoing resolutions, authorized and directed, in the name and on behalf of the Company, to prepare, execute and deliver any and all certificates, agreements, instruments, reports, schedules, statements, consents, documents and information with respect to the transactions contemplated by the Merger Agreement and the foregoing resolutions, to make any filings pursuant to federal, state and foreign laws and to take all other actions that he or she deems necessary, appropriate or advisable in order to comply with the applicable laws and regulations of any jurisdiction, or otherwise to effectuate and carry out the purposes of the foregoing resolutions and to permit the transactions contemplated by the Merger Agreement and the foregoing resolutions to be lawfully consummated; and

FURTHER RESOLVED, that all actions previously taken by any officer, director, representative or agent of the Company, by or on behalf of the Company or any of its affiliates in connection with the transactions contemplated by the Merger Agreement and the foregoing resolutions be, and each of the same hereby is, adopted, ratified, confirmed and approved in all respects as the act and deed of the Company; and

FURTHER RESOLVED, that each of the Authorized Officers is authorized and directed, for and on behalf of the Company, to take or cause to be taken any and all such further actions and to prepare, execute and deliver or cause to be prepared, executed and delivered all such further agreements, documents, certificates and undertakings, and to incur all such fees and expenses, as in his or her judgment shall be necessary, appropriate or advisable to carry out and effectuate the purpose and intent of any and all of the foregoing resolutions.

I, Linda J. Wentzel, do hereby certify that I am the duly elected and acting Assistant Corporate Secretary of Alliant Energy Corporation, a Wisconsin corporation, and that I have access to the corporate records of said Corporation, and as such officer, I do further certify that the foregoing Resolution was duly adopted at a meeting of the Board of Directors held March 15, 2000.


IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said Corporation this 23rd day of March, 2000.



CERTIFICATE

I, Edward M. Gleason, do hereby certify that I am the duly elected, qualified and Secretary of **Alliant Energy Corporation**, a Wisconsin corporation, **IES Utilities Inc.**, an Iowa corporation and **Interstate Power Company**, a Delaware corporation; that attached hereto are full, true and correct copies of resolutions adopted by the respective Board of Directors of said companies at a regular meeting duly called and held on the 15th day of March 2000, at which a quorum was in attendance and voted in favor of said resolutions authorizing the merger of IES Utilities Inc., and Interstate Power Company; said resolutions are in full force and effect.

IN WITNESS WHEREOF, I have affixed my name as Secretary of said companies this 28th day of March, 2000.



Secretary

STATEMENT OF CONTROL OR OWNERSHIP


The Applicants know of no public utility, bank, trust company, banking association, or firm that is authorized by law to underwrite or participate in the marketing of securities of a public utility, or any company supplying electric equipment to such party, which exercises any measure of control or ownership over IES Utilities Inc., and Interstate Power Company through the ownership of more than 5% of the outstanding shares of common stock issued by IES Utilities Inc., and Interstate Power Company; nor do the Applicants know of any such entity over which IES Utilities Inc., and Interstate Power Company exercise any such measure of control.

IES Utilities Inc., and Interstate Power Company are wholly-owned subsidiaries of Alliant Energy Corporation. The same individuals serve as the Board of Directors for Alliant Energy, IES Utilities Inc., and Interstate Power Company. In addition, the following individuals are principal officers of both IES Utilities Inc., and Interstate Power Company: Eroll B. Davis, Jr. (Chairman of the Board and Chief Executive Officer), Thomas M. Walker (Executive Vice President and Chief Financial Officer), Barbara J. Swan (Executive Vice President and General Counsel), Pamela J. Wegner (Executive Vice President -Corporate Services), William D. Harvey, Executive (Vice President - Generation), Dale R. Sharp, (Senior VP-Transmission), Daniel A. Doyle (Vice President - Chief Accounting & Financial Planning Officer) and Edward M. Gleason (Vice President - Treasurer and Corporate Secretary.)

CERTIFICATE

I, Edward M. Gleason, do hereby certify that I am the duly elected, qualified and Secretary of **IES Utilities Inc.**, an Iowa corporation and **Interstate Power Company**, a Delaware corporation; that attached hereto are full, true and correct copies of The Statement of Control or Ownership.

IN WITNESS WHEREOF, I have affixed my name as Secretary of IES Utilities Inc. and Interstate Power Company, this 28th day of March, 2000.


Secretary